Canadian Tourism Commission / Commission canadienne du tourisme

Canada

Tourism Snapshot

A focus on the markets in which the CTC and its partners are active

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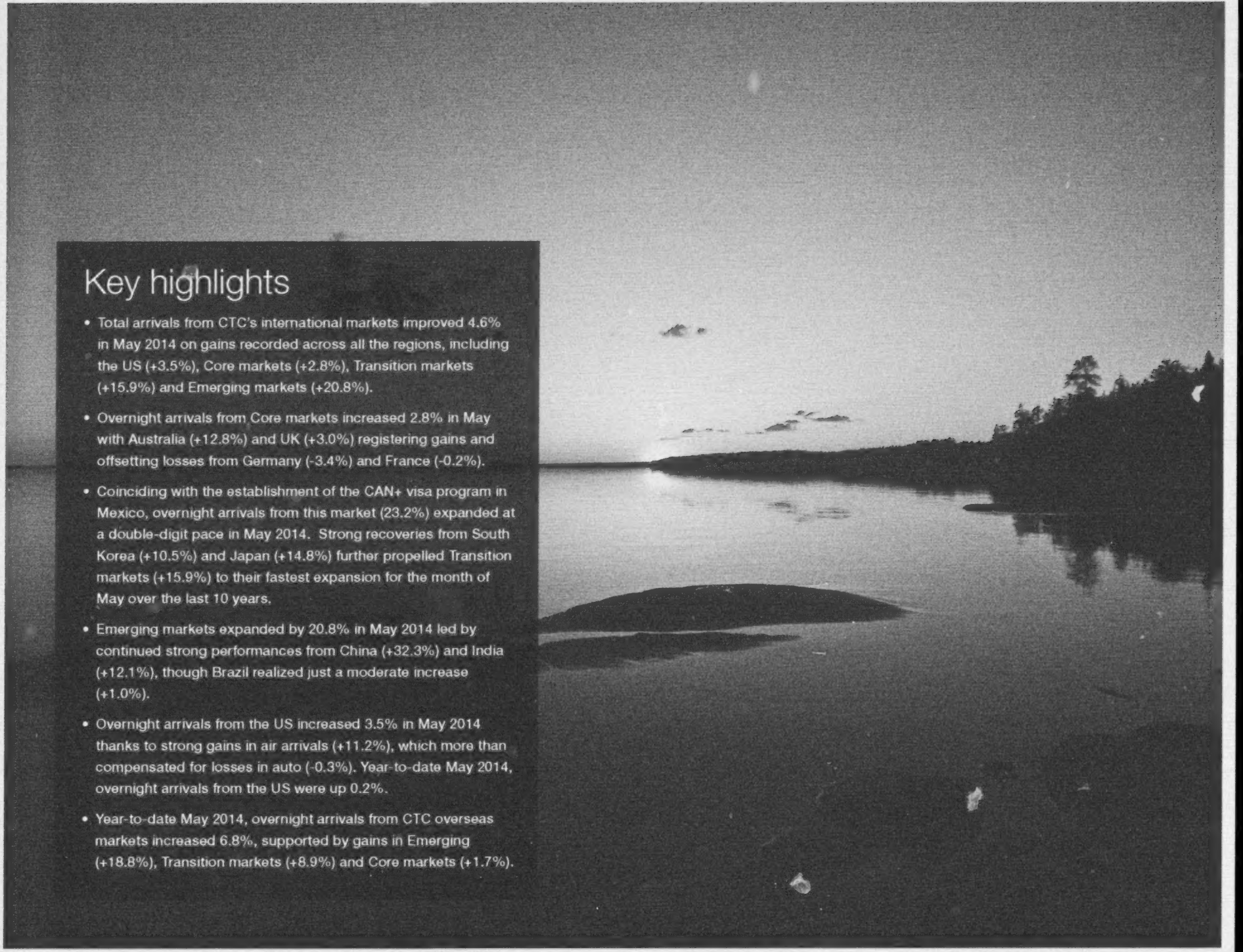
May 2014 **Volume 10, Issue 5**



Key highlights

- Total arrivals from CTC's international markets improved 4.6% in May 2014 on gains recorded across all the regions, including the US (+3.5%), Core markets (+2.8%), Transition markets (+15.9%) and Emerging markets (+20.8%).
- Overnight arrivals from Core markets increased 2.8% in May with Australia (+12.8%) and UK (+3.0%) registering gains and offsetting losses from Germany (-3.4%) and France (-0.2%).
- Coinciding with the establishment of the CAN+ visa program in Mexico, overnight arrivals from this market (23.2%) expanded at a double-digit pace in May 2014. Strong recoveries from South Korea (+10.5%) and Japan (+14.8%) further propelled Transition markets (+15.9%) to their fastest expansion for the month of May over the last 10 years.
- Emerging markets expanded by 20.8% in May 2014 led by continued strong performances from China (+32.3%) and India (+12.1%), though Brazil realized just a moderate increase (+1.0%).
- Overnight arrivals from the US increased 3.5% in May 2014 thanks to strong gains in air arrivals (+11.2%), which more than compensated for losses in auto (-0.3%). Year-to-date May 2014, overnight arrivals from the US were up 0.2%.
- Year-to-date May 2014, overnight arrivals from CTC overseas markets increased 6.8%, supported by gains in Emerging (+18.8%), Transition markets (+8.9%) and Core markets (+1.7%).

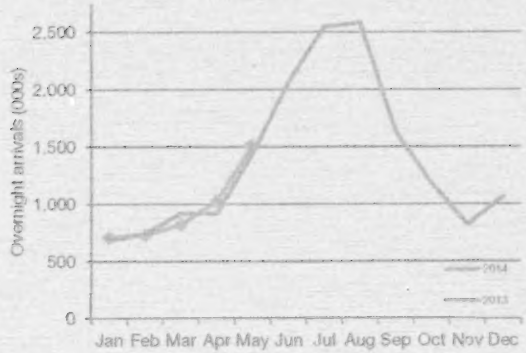
Tourism review Inbound highlights

Overnight trips to Canada

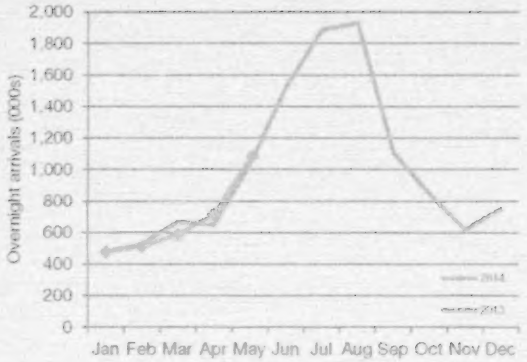
	May 2014	14/13 May % Change	Jan. - May 2014	Year-to-date % Change
United States				
Automobile	572,509	-0.3	1,837,005	-2.5
Plane	363,053	11.2	1,239,679	5.7
Other	134,503	1.2	279,262	-4.8
US Total	**1,070,065**	**3.5**	**3,355,946**	**0.2**
Core Markets				
UK	62,133	3.0	190,387	1.1
France	37,538	-0.2	134,684	-1.5
Germany	28,287	-3.4	85,697	4.9
Australia	32,030	12.8	84,344	5.2
Core Total	**159,988**	**2.8**	**495,112**	**1.7**
Emerging/Transition Markets				
Japan	20,453	14.8	77,086	6.6
South Korea	14,056	10.5	49,616	9.8
Mexico	14,452	23.2	57,232	11.2
Brazil	7,769	1.0	31,679	-0.1
China	36,877	32.3	126,076	27.8
India	21,335	12.1	56,842	12.9
Emerging/Transition Markets Total	**114,942**	**18.7**	**398,531**	**14.0**
CTC Overseas Key Markets	**274,930**	**8.9**	**893,643**	**6.8**
Other Overseas Countries	167,738	5.9	547,209	4.8
Total Non-US Countries	442,668	7.7	1,440,852	6.1
Total Countries	**1,512,733**	**4.7**	**4,796,798**	**1.9**

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, International Travel Survey.

International trips

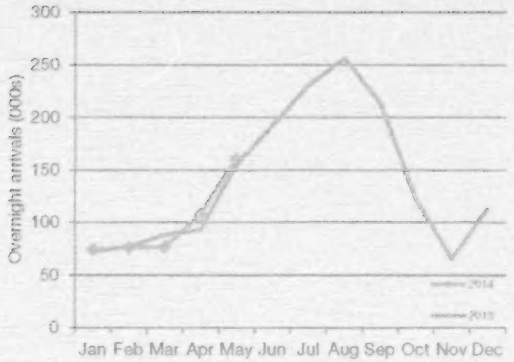


- Canada welcomed 1,512,733 international visitors in May, an increase of 4.7% over May 2013.
- Overnight arrivals from CTC Core markets increased 2.8% with Australia (+12.8%) and UK (+3.0%) registering gains, and Germany (-3.4%) and France (-0.2%) realizing losses. Year-to-date May 2014, arrivals from CTC Core markets were up 1.7% to 495,112 over the same period last year.
- In May, arrivals from Emerging and Transition markets grew 18.7% on double-digit increases from China (+32.3%), Mexico (+23.2%), Japan (+14.8%), India (+12.1%) and South Korea (+10.5%). Brazil experienced a modest increase (+1.0%). The increase from Mexico coincided with the establishment of the CAN+ visa program, which is intended to make it easier and faster for Mexicans to get a visa to visit Canada. Year-to-date May 2014, arrivals from CTC Emerging and Transition markets rose 14.0% to 398,531.



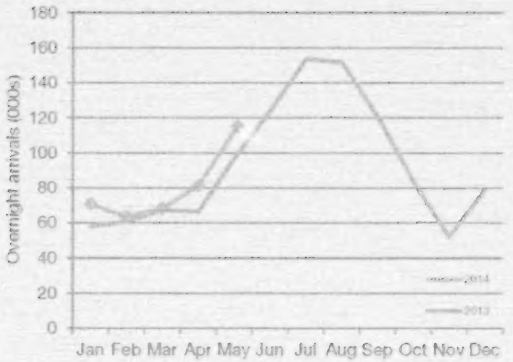
United States

- Overnight visitation from the US increased 3.5% to 1,070,065 in May owing to gains in arrivals by air (+11.2%). Overnight arrivals by automobile edged down (-0.3%). Year-to-date May 2014, overnight arrivals from the US grew 0.2% over the same period last year.
- In May, the number of overnight US visits increased in six of the 10 provinces, with the largest increases in Nova Scotia (+15.5%), BC (+8.8%) and Alberta (+5.5%). Year-to-date May 2014, BC (+5.6%), Nova Scotia (+5.5%), Alberta (+1.8%) and Quebec (+0.1%) posted increases in US arrivals compared to 2013.



Core Markets

- Arrivals from CTC Core markets were mixed, with gains for Australia (+12.9%) and UK (+3.0%) and losses for Germany (-3.4%) and France (-0.2%), resulting in an overall 2.8% increase in May.
- Year-to-date May 2014, arrivals from the UK (+1.1%) reached 190,387, with Nova Scotia, Alberta and Quebec experiencing the largest increases.



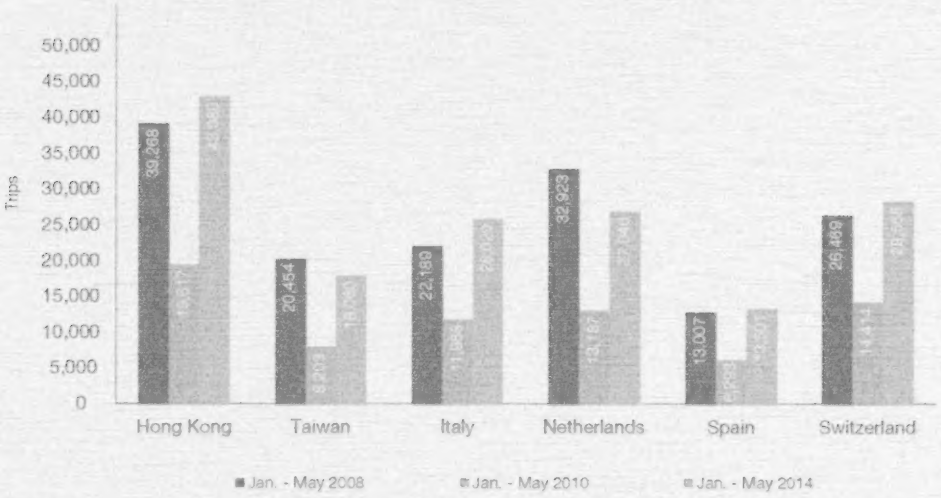
Emerging Markets

- With double-digit growth from Mexico (+23.2%) as well as strong recovery from South Korea (+10.5%) and Japan (+14.8%), transition markets realized strong gains (+15.9%) in May 2014.
    - The upswing of arrivals from Mexico coincided with the establishment of an improved visa facilitation process starting in mid-May 2014, as well as gains in the purchasing power of the peso over the same period in 2013.
    - The growth from Japan was partly fuelled by the introduction of new flights between Tokyo's Haneda airport and Vancouver at the end of March.
- In May 2014, Emerging markets surged 20.8% with double-digit growth in arrivals from China (+32.3%) and India (+12.1%), which was accompanied with a small uptick in overnight arrivals from Brazil (+1.0%).
- Year-to-date May 2014, overall arrivals from CTC's Emerging and Transition markets expanded 14.0% over 2013. The best performers were China (+27.8%), Mexico (+11.2%), India (+12.9%) and South Korea (+9.8%).

Market Watch

- In May 2014, overnight arrivals from secondary European markets were all positive with Italy (+14.5%), Spain (+12.5%), the Netherlands (+7.7%) and Switzerland (+2.8%) all realizing gains.
- Year-to-date May 2014, overnight arrivals grew from Italy (+12.4%), Switzerland (+5.8%), Spain (+4.2%) and the Netherlands (+3.8%).
- Arrivals from Hong Kong (+12.5%) and Taiwan (+9.3%) expanded in May 2014.
- During the first five months in 2014, both Taiwan (+6.9%) and Hong Kong (+4.6%) saw gains in arrivals compared to the same period in 2013.

Overnight trips to Canada, by selected markets



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips to Canada, by selected markets

	May 2014	14/13 May % Change	Jan. - May 2014	Year-to-date % Change
Italy	8,004	14.5	26,029	12.4
Netherlands	10,530	7.7	27,046	3.8
Spain	4,201	12.5	13,501	4.2
Switzerland	8,575	2.8	[illegible],558	5.8
Hong Kong	13,332	12.5	43,080	4.6
Taiwan	6,907	9.3	18,060	6.9

Note: Statistics Canada preliminary estimates
Source: Statistics Canada, *International Travel Survey*.

Competitive review (January - May 2014)**

International Travel (in thousands)

Trips From:	Trips To: Canada Jan. - May 2014	Canada 14/13 % Change	Australia Jan. - May 2014	Australia 14/13 % Change
Total International	4,797	1.9	2,766	10.2
United States	3,356	0.2	233	12.4
Canada	...	...	62	10.1
Core Markets				
United Kingdom	190	1.1	289	8.3
France	135	-1.5	45	5.9
Germany	86	4.9	77	14.5
Australia	84	5.2	...	...
Emerging/Transition Markets				
Japan	77	6.6	125	-0.3
South Korea	50	9.8	87	5.0
Mexico	57	11.2	...	...
Brazil	32	-0.1	18	23.2
China	126	27.8	376	13.3
India	57	12.9	83	19.4
Total Key Markets	**4,250**	**1.5**	**1,392**	**10.3**

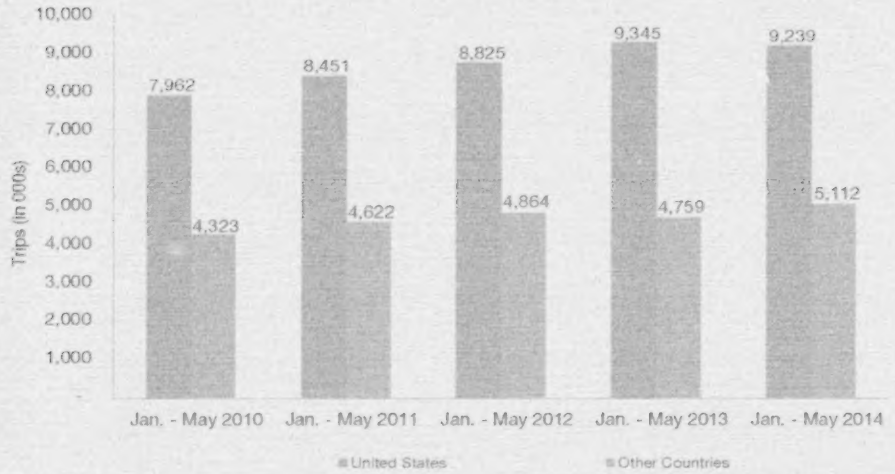
...Not applicable, or data not available.
Note: Statistics Canada preliminary figures.
Sources: Statistics Canada; Tourism Australia.

** US visitation data was not available due to a delay of the change of entry process for US visitors.

- Year-to-date May 2014, Australia (+10.2%) posted a large increase in total international arrivals, while total arrivals to Canada edged up 1.9% over 2013.
- Both Australia (+13.3%) and Canada (+27.8%) saw healthy gains in arrivals from China during the first five months in 2014, making it the top-performing market in terms of growth for Canada and one of the top-performing markets for Australia.
- Arrivals from both Core markets and Emerging/ Transition markets were positive for Australia except for Japan (-0.3%) year-to-date May 2014.
- While Brazil was Australia's fastest growing market (+23.2%), Canada saw a 0.1% decrease in the number of Brazilian arrivals over the first five months of 2014.
- Year-to-date May 2014, arrivals from European markets to Australia gained shares across all three markets, with growth from Germany leading the way for both Australia and Canada, followed by the UK and France. While arrivals from France (+5.9%) increased to Australia, they decreased to Canada (-1.5%).
- Australia also posted strong growth in arrivals from North America, up 12.4% from the US and 10.1% from Canada.

Canadian outbound trips

Overnight trips by Canadians



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

- In May 2014, Canadian outbound travel increased 3.8% compared with the same month last year to 2,759,576 trips.
- The number of Canadians visiting the US during the month of May remained the same at approximately 2 million trips. Canadian overnight travel to overseas destinations (excluding the US) rose 14.0% to 813,268 trips.
- Year-to-date May 2014, outbound trips by Canadians grew 1.8% to 14.4 million trips.
- In May 2014, most Canadians re-entered the country from the US through Ontario (869,481 entries, +0.7%), BC (457,223 entries, -2.2%) and Quebec (288,870 entries, -0.5%).
- In May 2014, Ontario recorded the largest re-entry of Canadians from overseas countries (413,900 entries, +15.2%), followed by Quebec (162,490 entries, +10.5%) and BC (132,500 entries, +16.2%).

Overnight trips by Canadians

	May 2014	14/13 May % Change	Jan. - May 2014	Year-to-date % Change
United States	1,946,308	0.0	9,238,627	-1.1
Other Countries	813,268	14.0	5,111,770	7.4
Total Trips from Canada	2,759,576	3.8	14,350,397	1.8

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence registered its first decline of 2014 in May, dropping 2.6 points to 87.3 (2002 = 100). The decline was driven by continued worries regarding future job prospects, as well as a more pessimistic view of current finances.
- **USA:** The Conference Board Consumer Confidence Index®, which had decreased in April, improved moderately in May. The Index now stands at 83.0 (1985=100), up from 81.7 in April.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Accommodations

- In May 2014, the National Occupancy Rate recorded a marginal increase of 2.8 points to 67.0%. Yukon registered the largest increase (+5.8 points), followed by BC (+4.8 points), Prince Edward Island (+4.7 points) and Quebec (+4.4 points) respectively.
- Year-to-date May 2014, the National Occupancy Rate rose slightly (+1.4 points to 59.0%) compared with the previous year. PEI (+3.7 points), BC (+3.6 points) and Northwest Territories (+2.7 points) saw the largest increases in occupancy while Newfoundland and Labrador (-8.0 points) and Saskatchewan (-4.4 points) saw the largest drops.
- Year-to-date May 2014, the National Average Daily Rate improved to $130.81, up 2.7% compared with the same period in 2013. BC, Alberta, Yukon, and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- During the first five months of 2014, the Average Revenue per Available Room (RevPAR) was $77.14 (+5.2%), with BC (+11.4%, $76.21) posting the strongest growth, followed by PEI (+10.3%, $36.97) and Northwest Territories (+5.5%, $107.56).

Canadian Occupancy Rates, By Province*

	May 2014	14/13 Change^	Jan. - May 2014	Year-to-date Change^
Alberta[1]	68.8	1.6	66.1	0.6
British Columbia	68.2	4.8	58.1	3.6
Saskatchewan	65.6	-4.0	61.7	-4.4
Manitoba	60.2	-1.0	57.0	-2.8
Ontario	67.2	2.8	58.7	1.8
Quebec	70.2	4.4	58.4	1.5
New Brunswick	54.2	1.0	48.4	0.4
Nova Scotia	63.3	3.9	53.3	1.4
Newfoundland	63.6	-7.9	55.7	-8.0
Prince Edward Island	46.8	4.7	37.1	3.7
Northwest Territories	59.8	0.0	68.9	2.7
Yukon	69.3	5.8	57.3	-1.6
Canada	**67.0**	**2.8**	**59.0**	**1.4**

* Note: Based on the operating results of 223, 880 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.
Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.

CTC Market Research & Evaluation